Operational efficiency of FCI

243. SHRI INDRADEEP SINHA:

SHRI SURAJ PRASAD:

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state:

(a) whether it is a fact that the overhead expenses of Food Corporation of India are very high due to the operational inefficiency thereby making the public distribution system highly expensive;

(b) if so, what are the details of the overhead expenses added to the procurement prices of wheat and rice, the distribution price and the element of subsidy per kg. of wheat and rice; and

(c) what remedial steps Government propose to take to improve the operational efficiency of FCI and to reduce the overhead expenses?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND FOOD AND CIVIL SUPPLIES (SHRI AJIT PANJA): (a) No, Sir. The administrative overheads of FCI are only about four paise per kg. for procurement and distribution of wheat/rice.

(b) It is not so, in view of answer to (a) above. However, a statement is annexed for details information (*see below*).

(c) Does not arise in view of answer to (a) and (b) above.

Statement

Statement showing the details of overhead expenses added to procurement and distribution price of wheat and rice and the element of subsidy during 1984-85

A—*Procurement Incidentals—WHEAT*

(Rate Rs. quintal)

		1984-85
1.	Mandi charges (including commission)	3·92
2.	Mandi Labour	1·17
3.	Temporary stores charges	0·52
4.	Forwarding charges and internal movement	3·26
5.	Establishment charges	1·33
6.	Interest Charges	2·71
7.	Cost of gunny	8·25
8.	Purchase/Sales tax	5·09
9.	Octroi, depreciation and dead stock articles, transportation of gunny etc.	0·06
	TOTAL	26·31

B—*Procurement Incidentals—Rice*

(Rate Rs. quintal)

	1984 85
1. Forwarding charges	1·14
2. Temporary storage charges	0·05
3. Internal movement	0·74
4. Gunny cost	12·37
5. Establishment/Admn. charges	1·01
6. Purchase/Sales Tax	1·64
7. Interest	0·37
8. Others	..
9. FCI Admn. charges	..
TOTAL	17·32

C—*Distribution Cost* (*Average Pooled both for Wheat and Rice*)

(Rate Rs. quintal)

	1984-85
1. Transit and storage shortages	6·88
2. Freight	17·17
3. Handling godown expenses	3·51
4. Godown charges	2·97
5. Interest	18·20
6. Administrative overheads	3·16
TOTAL	51·89

D – *Consumer Subsidy during* 1984-85

Wheat	Rs. 63·46 per quintal
Rice	Rs. 74·87 per quintal